



SOCIAL SECURITY

The Commissioner

October 11, 2018

The Honorable Gregorio Kilili Camacho Sablan
House of Representatives
Washington, DC 20515-5201

Dear Mr. Sablan:

The Social Security Act provides the formula for determining whether we can apply a cost-of-living adjustment (COLA) to Social Security and Supplemental Security Income (SSI) benefits. The formula links the COLA to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The CPI-W did increase over the applicable measuring period, thus triggering an automatic COLA of 2.8 percent. Accordingly, there will be a COLA increase in Social Security benefits beginning December 2018, as well as an increase in payments to SSI recipients beginning December 30, 2018.

For Social Security beneficiaries, the estimated average monthly benefit amount at the end of 2018 for all retired workers will rise from \$1,422 to \$1,461. The maximum Federal SSI monthly payment to an individual will rise from \$750 to \$771. For a couple, the maximum Federal SSI payment will rise from \$1,125 to \$1,157. The Social Security contribution and benefit base will also increase from \$128,400 to \$132,900 as a result of increases in national average wages. We have enclosed a copy of the press release with additional information.

We will publish details concerning the above amounts and related information in the *Federal Register*, and we will also make it available on our Internet site at:
<http://www.socialsecurity.gov/OACT/COLA>.

Additional information regarding this issue is available on our Internet site at:
<http://www.socialsecurity.gov/OACT/COLA/colasummary.html>.

If you have any questions, please contact Royce Min, our Acting Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

Sincerely,

Nancy A. Berryhill
Acting Commissioner

Enclosures



News Release

SOCIAL SECURITY

Social Security Announces 2.8 Percent Benefit Increase for 2019

Social Security and Supplemental Security Income (SSI) benefits for more than 67 million Americans will increase 2.8 percent in 2019, the Social Security Administration announced today.

The 2.8 percent cost-of-living adjustment (COLA) will begin with benefits payable to more than 62 million Social Security beneficiaries in January 2019. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2018. (Note: some people receive both Social Security and SSI benefits). The Social Security Act ties the annual COLA to the increase in the Consumer Price Index as determined by the Department of Labor's Bureau of Labor Statistics.

Some other adjustments that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$132,900 from \$128,400.

Social Security and SSI beneficiaries are normally notified by mail in early December about their new benefit amount. This year, for the first time, most people who receive Social Security payments will be able to view their COLA notice online through their *my Social Security* account. People may create or access their *my Social Security* account online at www.socialsecurity.gov/myaccount.

Information about Medicare changes for 2019, when announced, will be available at www.medicare.gov. For Social Security beneficiaries receiving Medicare, Social Security will not be able to compute their new benefit amount until after the Medicare premium amounts for 2019 are announced. Final 2019 benefit amounts will be communicated to beneficiaries in December through the mailed COLA notice and *my Social Security's* Message Center.

The Social Security Act provides for how the COLA is calculated. To read more, please visit www.socialsecurity.gov/cola.

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NOTE TO CORRESPONDENTS: Attached is a fact sheet showing the effect of the various automatic adjustments.

To get more Social Security news, follow the Press Office on Twitter [@SSAPress](#).



Fact Sheet

SOCIAL SECURITY

2019 SOCIAL SECURITY CHANGES

Cost-of-Living Adjustment (COLA):

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2017 through the third quarter of 2018, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 2.8 percent COLA for 2019. Other important 2019 Social Security information is as follows:

Tax Rate	2018	2019
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

	2018	2019
Maximum Taxable Earnings		
Social Security (OASDI only)	\$128,400	\$132,900
Medicare (HI only)	No Limit	
Quarter of Coverage		
	\$1,320	\$1,360
Retirement Earnings Test Exempt Amounts		
Under full retirement age	\$17,040/yr. (\$1,420/mo.)	\$17,640/yr. (\$1,470/mo.)
NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.		
The year an individual reaches full retirement age	\$45,360/yr. (\$3,780/mo.)	\$46,920/yr. (\$3,910/mo.)
NOTE: Applies only to earnings for months prior to attaining full retirement		

age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.	
Beginning the month an individual attains full retirement age.	None

	2018	2019
Social Security Disability Thresholds		
Substantial Gainful Activity (SGA)		
Non-Blind	\$1,180/mo.	\$1,220/mo.
Blind	\$1,970/mo.	\$2,040/mo.
Trial Work Period (TWP)	\$ 850/mo.	\$ 880/mo.
Maximum Social Security Benefit: Worker Retiring at Full Retirement Age		
	\$2,788/mo.	\$2,861/mo.
SSI Federal Payment Standard		
Individual	\$ 750/mo.	\$ 771/mo.
Couple	\$1,125/mo.	\$1,157/mo.
SSI Resource Limits		
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000
SSI Student Exclusion		
Monthly limit	\$1,820	\$1,870
Annual limit	\$7,350	\$7,550
Estimated Average Monthly Social Security Benefits Payable in January 2019		
	Before 2.8% COLA	After 2.8% COLA
All Retired Workers	\$1,422	\$1,461
Aged Couple, Both Receiving Benefits	\$2,381	\$2,448
Widowed Mother and Two Children	\$2,797	\$2,876
Aged Widow(er) Alone	\$1,348	\$1,386
Disabled Worker, Spouse and One or More Children	\$2,072	\$2,130
All Disabled Workers	\$1,200	\$1,234